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07/18/2006 10:24 AM

To Dave Dickerson/R1/USEPA/US@EPA

cc Cynthia Catri/R1/USEPA/US@EPA, "Anderson, Mark J Jr  
NAE" <Mark.J.Anderson.Jr@nae02.usace.army.mil>,  
"Lindsay, Christopher J NAE"

bcc

Subject RE: Aerovox EE/CA Cost Question

Superior  
SITE: Aerovox  
BRE: 2.1  
OTHER: 460577



SDMS DocID

460577

Dave - There are two problems, one with the way the Will Humphries attempted to recalculate the costs and the other is an error on the Corps' part. Following is a more detailed explanation for the two issues.

Will Humphries incorrectly applied the inflation/escalation rate to line item 7 - T&D TSCA. As outlined in Note 8. current pricing data was used to develop the line item 7. costs and were therefore not subject to escalation.

The other problem is that we here at the Corps did not correctly calculate the 2007 EE/CA Capital Costs. We incorrectly applied the escalation/inflation factor to line items 10 (7k cy debris, T&D) and 11 (7k cy debris, H&P) when we should not have as outlined in Note 11. The good news is that the 2007 EE/CA Capital Costs DECREASES for all alternatives. Attached is the revised Aerovox Cost update with the corrected numbers.

Not to confuse things any further, but if Will Humphries was to remove the escalation factor from line item 7, and then apply the escalation factor to line items 10 and 11, he would be able to recreate the numbers that are currently in the draft EE/CA. However, those numbers will need to be changed based on our error described above. Confused yet!?

Hopefully this resolves the issues but as usual, let me know if you need anything else.

Gary

-----Original Message-----

From: dickerson.dave@epamail.epa.gov [mailto:dickerson.dave@epamail.epa.gov]  
Sent: Monday, July 17, 2006 8:40 AM  
To: Morin, Gary P NAE; Anderson, Mark J Jr NAE; Lindsay, Christopher J NAE  
Cc: Catri.Cynthia@epamail.epa.gov  
Subject: Fw: Aerovox EE/CA Cost Question

Good morning folks,

Could you take a look at this email from AVX's consultant; they're having trouble recreating the cost table (going from 98 to 07).

I noticed they don't list the contingency on their 07 costs, but applying 20% to these doesn't add up to ours either (all low except NA2). I'm sure there's a good reason, we just need to get back to them say within the next few days (?).

I'm in the office M, T, and W this week but then off (to the Adirondacks) Th and Fri.

Thanks - Dave

----- Forwarded by Dave Dickerson/R1/USEPA/US on 07/17/2006 08:34 AM

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William\_Humphrie  
s@URSCorp.com

07/14/2006 03:28  
PM

To  
Dave Dickerson/R1/USEPA/US@EPA  
cc  
Marilyn\_Wade@URSCorp.com  
Subject  
Aerovox EE/CA Cost Question

Good afternoon Dave. We have hit a bit of an impass understanding how the Updated 2007 Capital Costs are being calculated in Attachment 2 of the Supplemental EE/CA. It is our understanding based on Attachment 2 notes that with the exception of asbestos removal (2) and costs associated with the 7K cy debris (10, 11) all other cost items have been adjusted by 40%. We have recreated the EE/CA table (see attached) and it all adds up through the Updated 1998 Capital Costs but we would appreciate an explanation of how the Updated 2007 Capital Costs were derived.

Thank you and have a great weekend!

-Will

Will Humphries  
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(See attached file: EECA Cost Review.xls)  
(See attached file: EECA Cost Review.xls)



Aerovox Cost Update R5.xls

006

# Aerovox, Inc. Facility New Bedford, Massachusetts Building Demolition

	EE/CA Alt 1 basement floor remains	EE/CA Alt 2 partial basement floor	EE/CA Alt 3 basement floor removed	New Alt 1 100% on site disposal	New Alt 2 100% off site disposal.	New Alt 1A Only ABC Material on site
1 Pre-Cleaning Asbestos	951,000	951,000	951,000	0	0	0
2 Removal	1,086,416	1,086,416	1,086,416	1,086,416	1,086,416	1,086,416
3 Post-Cleaning	95,000	95,000	95,000	0	0	0
4 Utility Mods	100,000	100,000	100,000	100,000	100,000	100,000
5 Demolition	2,803,190	3,239,330	3,622,793	1,541,690	1,541,690	1,541,690
6 Process/Replace				321,580		121,930
7 T&D TSCA/Ton	388,000	1,233,840	1,976,860	0	3,427,980	2,101,796
8 Non TSCA/Ton	324,750	99,250	99,250	0	0	0
9 Cap Additional	1,449,190	1,435,690	1,457,290	1,161,478	1,457,290	1,275,809
10 Debris, 7,140 CY, Additional	1,385,160	1,385,160	1,385,160	0	1,385,160	1,385,160
11 Debris, 7,140 CY,	714,000	714,000	714,000	749,700	714,000	714,000
<b>Subtotal</b>	<b>9,296,706</b>	<b>10,339,686</b>	<b>11,487,769</b>	<b>4,960,864</b>	<b>9,712,536</b>	<b>8,326,801</b>
Contingency 20%	1,859,341	2,067,937	2,297,554	992,173	1,942,507	1,665,360
1998 EE/CA Capital Costs	11,156,047	12,407,623	13,785,323	5,953,037	11,655,043	9,992,161
2007 EE/CA Capital Costs	\$14,189,036	\$15,602,906	\$17,234,478	\$7,599,805	\$13,671,638	\$11,874,077
<b>Total CWE</b>	<b>\$14,189,036</b>	<b>\$15,602,906</b>	<b>\$17,234,478</b>	<b>\$7,599,805</b>	<b>\$13,671,638</b>	<b>\$11,874,077</b>

# ***Aerovox, Inc. Facility New Bedford, Massachusetts Building Demolition***

## **ESTIMATE NOTES:**

- 1 All characterization and inventory tasks have been completed and costs have been removed from all Alts
- 2 Volume and Mass data are from the 1998 EE/CA, attachment 11 and the equipment survey of 2005.
- 3 All Pre and Post Cleaning have been removed from the New Alternatives.
- 4 Asbestos Removal assumes all ACM removed with a disposal fee of \$100/cy. This is based on a current survey and disposal fee data and is not subject to escalation.
- 5 Demolition for EE/CA Alt 1-3 include increasing quantities of the concrete and wood floors on levels one and two of the building.
- 6 Demolition for New Alts 1 and 2 include the superstructure only. The foundation slab and walls will remain in place.
- 7 New Alternatives 1 & 2 assume no separation of wood and concrete. New Alt 1 includes additional crushing process housed in a temporary building and backfilling
- 8 New Alt 1A will require some additional processing in a temporary building and replacement as backfill. Also the amount of backfill required is reduced to allow for the backfill of inert building materials lowering the cost of the CAP.
- 9 TSCA T&D costs have been adjusted using current projected pricing and are not subject to escalation.
- 10 Backfill required for New Alt 1 is reduced from 23,000 cy to 1088 cy due to the estimated volume of building material and equipment debris. This is reflected in the CAP costs.
- 11 2007 Capital Costs assume effective dates of October 1997 to October 2007. ENR Construction Cost Indices indicate a 40% increase in cost during this period
- 12 Additional Debris (7140 CY) is calculated assuming 1 TON/CY, using a projected 2007 unit price of \$194/ton with no adjustment for cost growth. Handling & Processing (H&P) is estimated at 100/ton. Additional costs of \$5.00/cy are included in NA1 to cover costs of backfilling the debris.